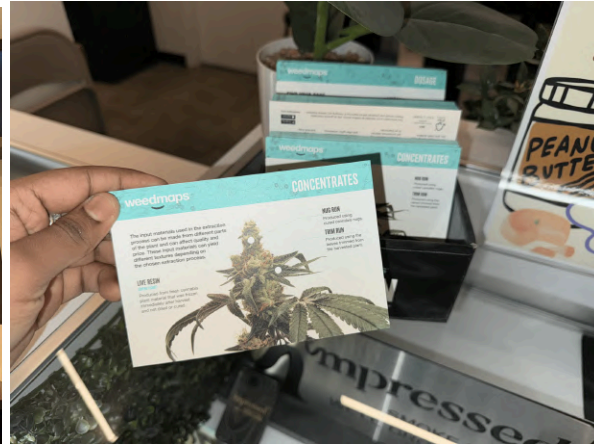# OBSERVATION RESEARCH REPORT

Newdia Store Visit | February 20, 2024
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Introduction

On February 20, 2024, I, along with my colleague Rhea, conducted a comprehensive observational study at Newdia, analyzing **customer behavior, engagement strategies, transaction patterns, and environmental factors influencing store foot traffic and sales conversion**. This report synthesizes all our findings, integrating firsthand observations, past experiences, and comparative insights based on store seasonality, marketing efforts, and customer psychology.

Our objective was to understand:

- How customers interact with the **physical space, products, and staff**.
- The **decision-making process** of different customer segments.
- How **store layout, seasonality, and promotions** influence purchasing patterns.
- How **data-driven insights** can optimize customer retention and business growth.

This report provides an **in-depth breakdown of our findings**, leveraging **data-backed insights and strategic recommendations** to **enhance Newdia's business operations and marketing effectiveness**.

Store Layout & Customer Flow Analysis

Upon entering Newdia, the **merchandising floor** creates a **first impression** that is somewhat misleading—many assume it to be the **entire store**, whereas the real experience **unfolds beyond the stairs**, leading to an **expansive, interactive retail space**.
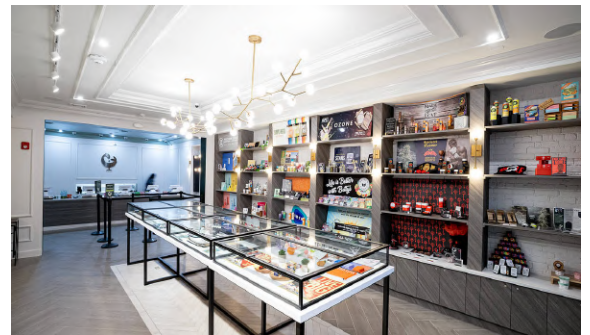
Key Observations:

The Underground Experience:
Newdia's **subterranean layout** is a **unique advantage**—the **spacious basement area** is designed as more than just a retail store; it's an **experiential hub**, complete with:

- **A wide range of cannabis products**.
- **Interactive gaming zones** – including **basketball, pool, and video games**.
- **A giant TV screen** for entertainment.
- **An art gallery & relaxation nooks**, positioning Newdia as a **cultural and social hotspot** rather than just a dispensary.
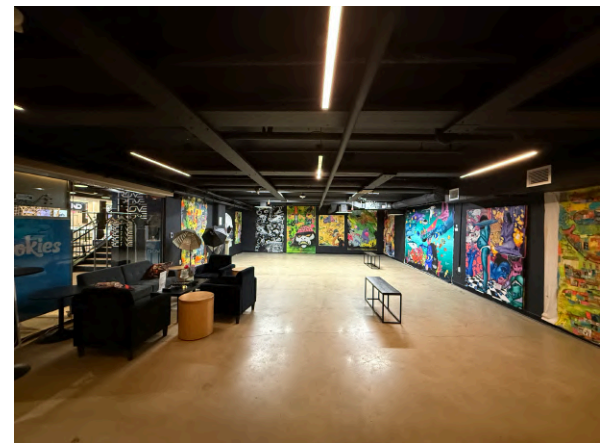
- **Strategic Location & Environmental Challenges:**

  - The **proximity to Fenway Park** makes Newdia **a prime destination for Red Sox fans**, tourists, and students.
  - **Parking limitations & weather impact** – During our **winter visit, foot traffic was noticeably lower** due to the cold, with customers preferring to **walk in only if they were already nearby or returning from a game**.
  - Comparatively, my **fall visit** saw **significantly higher foot traffic**, reinforcing **seasonality as a major factor in customer behavior**.

- **Peak & Off-Peak Hours:**

  - Visiting at **11 AM**, we saw **minimal walk-ins**, but staff confirmed that evenings experience **higher engagement**.
  - Customers visiting during off-peak hours **spent more time exploring the store**—indicating an opportunity for **exclusive promotions during slower hours**.

Customer Behavior & Transaction Analysis

We closely analyzed **how different customer segments** navigate the store, interact with staff, and make purchasing decisions.

Types of Customers Observed:

1. **Regular Solo Buyers (Fast-Track Customers)**

   - **Highly efficient & transactional** – They enter with a **clear purpose**, head **straight to the counter**, and **leave within minutes**.
   - **Zero interaction with staff** beyond checkout.
   - **Loyalty system integration** ensures a **seamless purchasing process**, with **pre-stored customer data accelerating transactions**.
2. **Paired Shoppers (Deliberate Decision-Makers)**

   - **Spend more time exploring options** and **engaging in discussions** about product choices.
   - Heavily influenced by **store promotions & employee recommendations**.

3. **Student Groups (Exploratory & Social Shoppers)**

- Showed the **highest engagement levels**, **browsing the store extensively** before making a purchase.
- Their purchasing behavior suggests a **strong link between social influence and product selection**.
- Students actively **inquired about discounts and promotional offers**, making them **highly responsive to targeted price incentives**.

Employee-Customer Interactions & Promotions

We observed a **key interaction** between a **student buyer and an employee**, where the buyer specifically asked:
"What are your current offers?"

- The employee detailed:
    - **10% Student Discount**
    - **$12 Joint for $5 Promotion**
    - **Buy 2 $30 Vapes for $50 Deal**

This **immediate availability of promotional information**
played a **decisive role in the student's purchase**, highlighting the importance of **price incentives for younger consumers**.

Seasonal, Environmental, and Marketing Influences

Seasonality & Weather Impact

- **Fall vs. Winter Foot Traffic**

    - **Fall – Higher footfall, greater engagement**, students and tourists are **more likely to explore**.
    - **Winter – Drop in casual visitors**, only **motivated buyers** make the effort.
- **The Parking Barrier**

    - Lack of parking is **a major deterrent**, reducing impulse walk-ins.
    - Customers **only visit intentionally**, especially during cold months.

In-Store Promotions & Visibility

- **Branding & Visual Cues** – Advertisements and strategic product placements drive **impulse buys**.
- **Store Layout Psychology** – By **placing interactive entertainment zones near product shelves**, Newdia encourages **longer dwell time**, increasing the likelihood of purchases.

Key Strategic Recommendations

1. Boosting Foot Traffic During Off-Peak Seasons

- **Winter-Exclusive Offers:**
  - Partner with **nearby Fenway vendors** to offer **cross-promotions** (e.g., Red Sox ticket holders get special discounts).
  - **Ride-Share Discounts** – Provide **Uber/Lyft discount codes** for customers visiting during slow hours.

2. Enhancing First-Time Customer Engagement

- **Wayfinding & Signage** – Many **first-time visitors do not fully explore the store**. Improved **navigation cues** can **increase engagement**.
- **Personalized Guided Tours** – Offering a **guided walkthrough for new customers** can **increase sales conversion rates**.

3. Strengthening Customer Retention & Loyalty

- **Exclusive "Repeat Buyer" Perks** – Incentivizing **repeat visits through milestone-based discounts** can **increase purchase frequency**.
- **Targeted Email & SMS Marketing** – Sending **personalized discounts based on purchase history** can **increase loyalty and engagement**.

Conclusion

Newdia has **successfully positioned itself as more than just a dispensary**—it is a **social and cultural hub for cannabis enthusiasts**. However, optimizing **seasonal marketing, engagement strategies, and loyalty incentives** can **unlock significant growth potential**.

Through **observational analysis, consumer behavior insights, and strategic recommendations**, this report outlines **tangible steps Newdia can take to maximize revenue, customer retention, and foot traffic**.

Our **next steps** will involve **data analysis, additional interviews, and refining our strategic action plan** to present **a high-impact solution for Newdia's business objectives**.